



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 05/02/00
AGENDA ITEM 2
WORK SESSION ITEM _____

TO: Redevelopment Agency Board
FROM: Director of Community and Economic Development
SUBJECT: Authorization to Acquire 22720 Atherton Street and Negotiate and Complete Acquisition of Remaining Private Parcels on Site Four

RECOMMENDATION:

It is recommended that the Redevelopment Agency Board adopt the attached resolution that:

1. Authorizes acquisition of the 22720 Atherton Street parcel, and appropriates up to \$176,000 from the Low- and Moderate-Income Housing Fund to pay for the real estate and closing costs.
2. Authorizes the Executive Director to acquire the remaining private parcels if the prices agreed upon for the real estate and improvements are within a reasonable range of appraised value, and if there are no environmental contamination issues.

BACKGROUND:

Pursuant to the Agency Board's direction, staff is pursuing the acquisition of properties on Site Four on a voluntary basis. To date, on a voluntary basis, the Agency has purchased seven parcels of a total of eighteen parcels on this site.

Last December, the Agency retained a Hayward-based real estate appraiser to appraise all of the privately-owned parcels. Parcel uses range from single family homes to commercial buildings and automobile repair services. Since the appraisals have been completed, the Agency has communicated by letter with all remaining owners, informing them of the Agency's interest in acquiring their property and requesting them to contact the acquisition agent who represents the Agency during negotiations.

22720 Atherton Street

The owner of 22720 Atherton Street has accepted an offer to sell the property at the appraised value. The contract price is \$174,000 for the real estate. Closing the transaction will cost approximately \$1,500 in additional escrow and title fees to be paid by the Agency. The parcel—identified on the attached Exhibit A—is approximately 4,240 square feet in size and

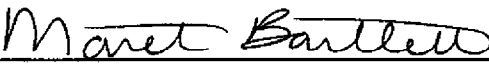
has been improved with a single family home and a small detached cottage dwelling. The single family home was constructed in 1924. Significant deferred maintenance can be observed from the exterior. The rear cottage is clearly of more recent construction, although no permit records could be found. There are separate tenants in each dwelling unit. Each will eventually be afforded relocation benefits in accordance with law. The sellers do not occupy the property, but they are Hayward residents.

Request for Authorization to Acquire Remaining Parcels at Value

At this time, staff also requests that the Agency Board authorize acquisition of the remaining Site Four parcels. Given the continuing upward pressure on real estate values in the East Bay generally, and Hayward in particular, this authorization will expedite the acquisition process. The result should be cost savings in assembling the site. Any transactions that involve acquisition prices materially in excess of the December 1999 appraisals would be brought before the Board for review. In addition, if due diligence on any single parcel indicates the need for environmental remediation, that parcel would be brought before the Agency Board as well. Private parcels remaining to be acquired are shown on Exhibit A. Acquisition of the Site 4 properties are CEQA-exempt actions.

The FY 1999-2000 budget listed the voluntary acquisition of Site 4 properties as a Redevelopment Agency goal. The acquisitions will be funded via use of the Low-and Moderate- Income Housing Fund. In the event that Site 4 is not used for the development of affordable housing, the Low- and Moderate-Income Housing Fund will be reimbursed.

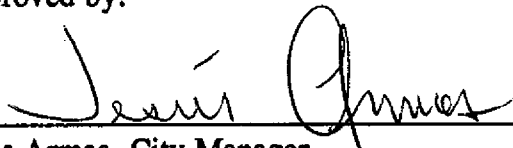
Prepared by:


Maret Bartlett, Redevelopment Director

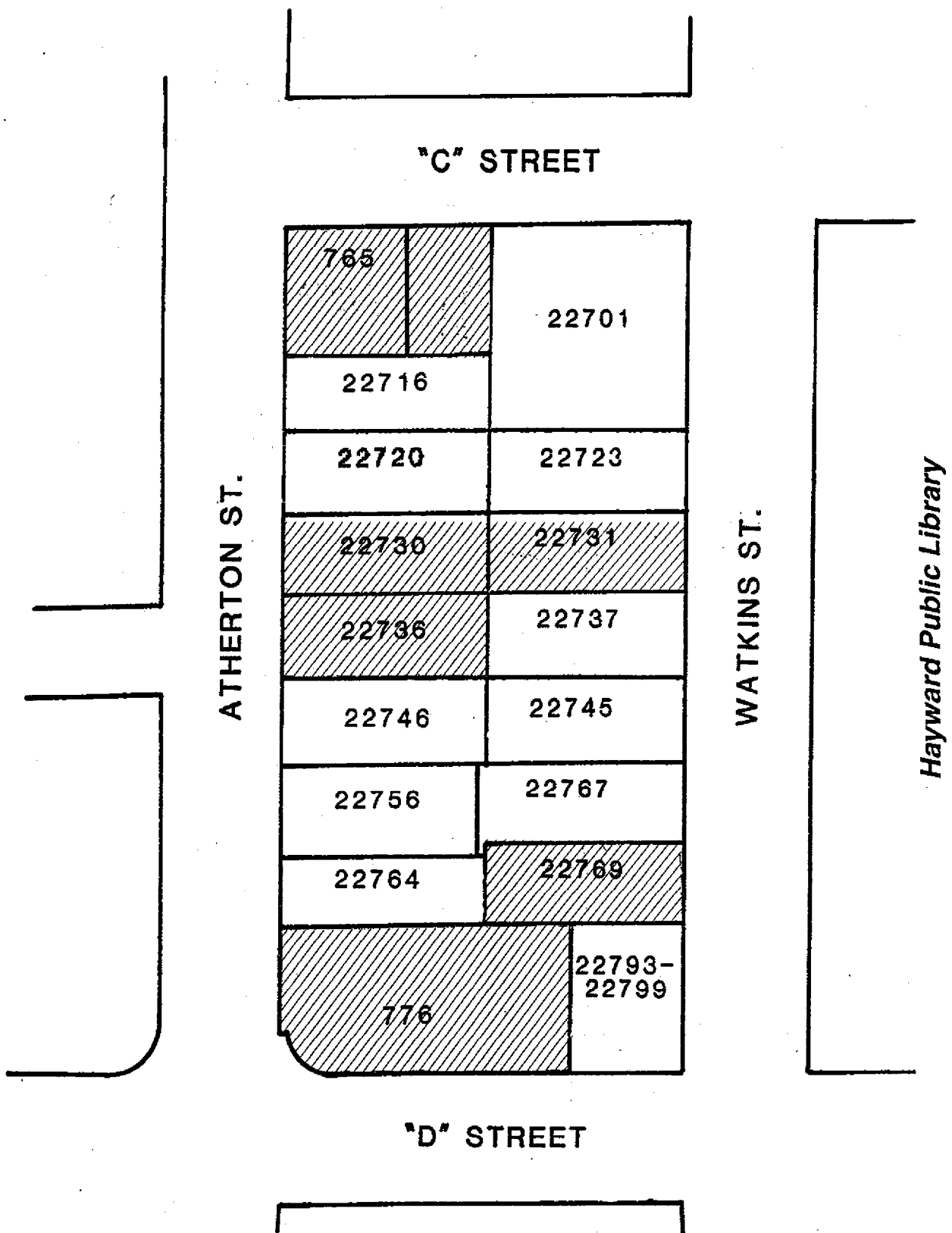
Recommended by:


Sylvia Ehrental, Community & Economic Development Director

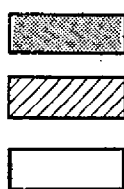
Approved by:


Jesús Armas, City Manager

Attachments: Exhibit A - Site Map
Resolution



**SITE 4
(TOTAL PARCELS - 18)**



22720 Atherton Street

Owned by Agency

Parcels Still to be Acquired



Exhibit A

DRAFT

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-00-__

DM 4-27-00

Introduced by Agency Member _____

RESOLUTION AUTHORIZING THE USE OF LOW-AND-MODERATE-INCOME HOUSING FUNDS, AMENDING RESOLUTION NO. RA-99-03 TO APPROPRIATE FUNDS FOR AND APPROVING THE ACQUISITION OF 22720 ATHERTON STREET; AND FURTHER AUTHORIZING THE ACQUISITION OF REMAINING PARCELS IN PRIVATE OWNERSHIP ON SITE FOUR

WHEREAS, the City Council, in its role as the Redevelopment Agency Board ("Agency Board "), amended the Downtown Hayward Redevelopment Plan ("Redevelopment Plan") in 1987 to add the four block area known as Expansion Area No. 1 to the Downtown Hayward Redevelopment Project, together with a policy indicating that the power of eminent domain shall not be available to acquire any residential property in Expansion Area No. 1, as long as such property continues to be owned and occupied by the property owner of record as of March 28, 1987; and

WHEREAS, in 1990 the Redevelopment Agency designated a portion of Expansion Area No. 1, specifically the block bounded by Watkins, Atherton, "C" and "D" Streets, as Site 4 ("Site 4"); and

WHEREAS, the owner of the property at 22720 Atherton Street, located on Site 4, wishes to sell such property to the Redevelopment Agency and the Agency Board has been asked to authorize the acquisition of 22720 Atherton Street and the remaining Site 4 properties which are currently privately owned; and

WHEREAS, the Agency Board duly considered the Executive Director's recommendation and report on this matter at a public meeting held on May 2, 2000.

NOW THEREFORE BE IT RESOLVED by the Agency Board of the Redevelopment Agency of the City of Hayward that it hereby takes the following actions:

1. Authorizes the Executive Director to execute a contract providing for the Redevelopment Agency's acquisition of the property located at 22720 Atherton Street for the amount of \$174,000 (One Hundred Seventy Four Thousand dollars) plus escrow and title fees and to take all actions necessary to complete such acquisition.

2. Authorizes a transfer of \$176,000 (One Hundred Seventy Six Thousand dollars) from the Low -and-Moderate Income Housing Fund, fund 452, to Account no. 452-5125-9534 and the amendment of the Redevelopment Agency's budget resolution, Resolution No. RA-99-03, to appropriate such funds for the acquisition of the 22720 Atherton Street property.
3. Authorizes the Executive Director to negotiate and execute an agreement on behalf of the Redevelopment Agency to acquire The remaining privately owned properties on Site 4, within the following parameters:
 - A. There are no significant site contamination issues affecting the site, which are known to the Agency or the City of Hayward.
 - B. The acquisition cost for the subject property shall be no more than ten percent above the appraised value of the subject Site 4 property.

HAYWARD, CALIFORNIA _____, 2000

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____

Secretary of the Redevelopment Agency
of the City of Hayward

APPROVED AS TO FORM:

General Counsel